

**GRAND TETON VODKA, INC.
MICRO-DISTILLERY & BOTTLING PLANT
DRIGGS AREA OF CITY IMPACT
CONDITIONAL USE PERMIT**

Prepared January 4th for the Board of County Commissioners
Public Hearing of January 12, 2012



APPLICANT: Grand Teton Vodka, Inc.

LANDOWNER: William Beckett Sr.

PROJECT REQUEST: Approve a Conditional Use Permit for a Micro-Distillery/ Bottling and distribution plant in accordance with City of Driggs regulations for a C3-D zoning use within the Driggs Area of Impact.

APPLICABLE CODES: Conditional Use Permit pursuant to Title 8, Chapter 6 Teton County Zoning Ordinance, (revised 5-12-2011); Title 7, Driggs Area of City Impact Ordinance (revised 3-24-2004)
City of Driggs Comprehensive Plan-Driggs Resolution # 264-10 (rev. 2-10-2010)
City of Driggs Zoning Ordinance, Resolution #281-07 (rev. 2-10-2010)

VICINITY MAP

LEGAL

DESCRIPTION:

Portion of Lot 1A,
Block 2, Teton Peaks
View subdivision

ADDRESS:

1755 N. Main Street,
Driggs

LOCATION:

Corner of Casper Drive
and Highway 33

COUNTY ZONING:

Driggs Area of City
Impact

CITY ZONING:

C3-D (design review
overlay)

PROPERTY SIZE:

3.57 acres

PARCEL#:

RP0007400201AC



CITY OF DRIGGS PLANNING & ZONING COMMISSION RECOMMENDATIONS:

On October 12, 2011, the Driggs Planning & Zoning Commission made a recommendation that the Board should **approve** the Grand Teton Vodka Conditional Use Permit (CUP) with the following two conditions:

- a. There shall be no sale of food or drink on the premises.
- b. The use shall not expand beyond 5,000 sf without approval of an amendment to the CUP.

PROJECT DESCRIPTION:

The application proposes the following:

- a. The development area uses a portion of Lot 1A Block 2 of the Teton Peaks View Subdivision. The portion of the lot to be used is approximately 132 feet by 100 feet, 13,200 square feet, or about 1/3 of an acre.
- b. A building of approximately 2,400 square feet would be constructed to process potatoes into vodka. The vodka would be bottled onsite. Production is expected to be less than 2500 cases per year. The vodka will be distributed and not sold onsite. The building design features have been subject to the Driggs Design Review Advisory Committee's recommendations to the Driggs P & Z Commission.
- c. A landscape plan proposes to plant a combination of 33 trees and shrubs around the building and parking lot. Planting will include both deciduous and evergreen trees and shrubs.
- d. Parking and loading facilities appropriate to the requirements of the use.
- e. The plant will use an onsite water well, permitted by the Division of Water Resources, and will use an onsite drain field, to be approved by Eastern Idaho Public Health Department. Only waste water that can be characterized as domestic wastewater (i.e. from the onsite restroom and sink) can go to the onsite drain field. Effluent produced by the distillation process (which cannot be sent to the onsite septic system) will be stored indoor in tanks, chemically analyzed, and then be disposed of in accordance with Idaho DEQ requirements. Depending on the chemical make-up of the effluent, this wastewater may be acceptable to a municipal wastewater treatment plant or possibly can be applied to agricultural lands in accordance with a DEQ issued wastewater-reuse permit.

PROJECT BACKGROUND:

The city Planning and Zoning Commission held the first public hearing and made a determination that the proposed use is acceptable at the proposed location. This review did not require a detailed and finalized site plan to be evaluated at the time. Once the proposed land use has been deemed acceptable at the location, a more detailed site plan will be prepared and depicting the building design, any proposed landscaping, parking spaces and drive aisles, fire district access and hydrant requirements, and any storm water management or erosion control facilities.

On October 12th, 2011 the Driggs Planning & Zoning Commission held a public hearing that considered the proposed land use in accordance with the city Conditional Use Permit standards and zoning requirements in this C-3 zone. This property is in the county's and city's designated Area of City Impact. The use is therefore subject to the Driggs Comprehensive Plan and Zoning Ordinance, but must be ultimately approved by the Teton County BOCC. Since the property is located adjacent to Highway 33 and in the city's design review overlay, it is subject to the city's Design Review Advisory Committee's (DRAC) review and recommendations. This review examines the visual and aesthetic considerations that the County would typically consider when issuing a Scenic Corridor permit.

The DRAC design review recommendations will be conveyed to the Driggs Planning and Zoning Commission prior to the January 12th BOCC public hearing. The DRAC recommendations that are approved by the city P & Z Commission should become requirements of the County approval because the City of Driggs standards apply in the Area of City Impact. Some of these DRAC recommendations will need to be evaluated by the county once the applicant submits for a county building permit. The building permit review and ultimate issuance of a Certificate of Occupancy will therefore require further coordination with the City of Driggs, the Fire District, and possibly Driggs Public Works. Installation of a fire hydrant, storm water and erosion control facilities, and planting and irrigating of the required landscaping may require inspections before, during and after the building is constructed.

INTER-AGENCY AND DEPARTMENTAL REVIEW COMMENTS

Teton County Engineer:

The County Engineer Jay Mazalewski sent a letter dated December 21 to the applicant. The applicant provided a response letter to the Engineer's letter. A follow-up response letter, dated December 30, was sent by Jay Mazalewski back to the applicant; that letter is attached to this report. At the time of the writing of this staff report, not all items in the December 30th letter have been completely addressed. Mr. Mazalewski told staff that he expected these remaining items could be dealt with without delaying the public hearing and that any remaining items about storm water or erosion control can be handled prior to the issuance of a building permit, so long as the County Engineer receives the necessary information and approves of the methods being employed.

Idaho Division of Water Resources: The existing well has been previously permitted by IDWR, and it is expected to use less than 2500 gallons per day, and would therefore be exempted from obtaining a water right, per state regulations. The County Engineer noted that a water meter would gauge the usage and that flows greater than 2500 gallons per day would warrant a new authorization from IDWR.

Eastern Idaho Public Health Department:

A letter from Mike Dronen dated December 27, 2011 stated that an onsite waste water leach field can be permitted to handle domestic wastewater. He goes on to state that *"All other sources of wastewater, to include wastewater generated from the processing and cleaning operations associated with the production of vodka, are not considered domestic wastewater, and therefore, not suitable for subsurface disposal. Other arrangements will need to be made for the proper collection and disposal of this production wastewater."* The applicant has suggested that they believe the wastewater "will be drinkable" and might be able to be sent to the onsite septic system. However, according to the EIPHD comment letter, this disposal method is not authorized. Regarding the "other arrangements", anecdotal stories indicate that there is a high enough Biological Oxygen Demand characteristic to some distilleries' effluent that municipal wastewater plants have had difficulty treating it. Larger cities' plants may have flows and capabilities to dilute this effluent to an acceptable level for treatment. It is unclear if the City of Driggs facility will be able to process the raw effluent until chemical tests can be run on the effluent.



Close-up view of the Grand Teton Vodka property and adjacent land uses

City of Driggs Public Works- Waste water Treatment Plan: Planning Staff spoke with Jared Gunderson about whether the city facilities could accept this effluent which would be stored in the building's indoor storage tanks. Because the existing treatment plant has had EPA violations, the unqualified acceptance of an effluent suspected to have a high BOD was not forthcoming at the time of writing this report. Mr. Gunderson was researching the parameters of concentration and quantities that the plant could accept and process without causing problems to the operations.

A new city of Driggs wastewater treatment plant is proposed to be constructed in the next two years and this newer facility could probably treat the effluent with fewer limitations on the composition and quantities. In the next week, the operator of the Driggs plant expects to provide the applicant with the chemical and pH characteristics that could be accepted for treatment at the existing plant. Mr. Gunderson mentioned that the effluent may have to undergo some pre-treatment before coming to the plant and that processing could be expensive.

Idaho Department of Environmental Quality: The County Planning Staff contacted the Idaho Falls regional office of the DEQ. A call back was made from the Boise office by Natalie Clough, who deals with hazardous waste and DEQ regulations. The discussion lead to the following conclusions, which Ms. Clough agreed would be prudent. The applicant should take samples of the effluent, have it chemically analyzed and the results should be submitted to DEQ. The agency will determine if the effluent needs to be disposed of in a particular manner and where this disposal may take place. Even in the case that the effluent is quite benign and not classified as hazardous, it is still considered wastewater and would need some approved manner of disposal.

While it is possible that the effluent could be trucked to a receiving municipal facility, it is also possible that local wastewater treatment plants would require a pre-treatment process prior to accepting it. Likewise, the effluent may very well be an acceptable substance to apply to the surface of agricultural lands. Nevertheless, applying this waste to farm fields may also require a "waste water reuse" authorization from DEQ. It is imperative that the applicant understand the laws and requirements for disposal of the byproducts of the vodka distillation process. The vodka distillery plant in nearby Roberts, Idaho apparently received DEQ violations related to the disposal of its effluent materials.

City of Driggs Design Review Advisory Committee: The DRAC is expected to provide the Driggs Planning & Zoning Commission with recommendations on January 9th, just prior to the Board public hearing. County Planning Staff will update the Board about those recommendations at the public hearing. In any case, the DRAC recommendations should become part of the requirements of the Conditional Use Permit if the Board approves the application. Since the Area of City Impact agreement stipulates that Driggs zoning and design standards apply, there is probably no compelling reason for the County to be more restrictive regarding issues of an aesthetic nature.

Teton Fire Protection District: A comment email is attached from Marc Anderson. In addition to requiring a fire hydrant onsite in a specified location, Mr. Anderson wrote:

"Roads to the building and to the hydrant will need to follow Teton County specifications. Specifically, the road to the hydrant will need to be a minimum of 26' in width, built so as to support fire apparatus. The road to the hydrant will need to be maintained during all months of the year.

Aerial Apparatus Access

Aerial fire apparatus shall have a minimum unobstructed width of 26'.

One access route shall be located within a minimum of 15' and a maximum of 30' parallel to one entire side of the building."

SPECIFIC REQUIREMENTS FOR PUBLIC HEARING NOTICE:

This proposal was noticed in accordance with Idaho Code, Title 67, Section 67-6509, 67-6511, 67-6512, and Title 8, Section 8-6-1 of the Teton County Zoning Ordinance:

1. The required public hearing for the Board of County Commissioners was duly noticed in the Teton Valley News.
2. A written notification was sent via U.S. mail to surrounding property owners within 300 feet.
3. The property was posted in accordance with Idaho Code 67-6511 and 67-6509.

COMMENTS FROM NOTIFIED PROPERTY OWNERS & PUBLIC AT LARGE

One letter, dated September 23, 2011, was received by the city and it is attached to this report. Paul Raube, a neighbor across the highway supported the project. No other written comments from notified neighbors or the public have been received at the time of this report. Mr. Raube spoke in favor of the business at the City Planning & Zoning Commission hearing.

COUNTY PLANNING DEPARTMENT RECOMMENDED CONDITIONS OF APPROVAL

1. There shall be no sale of food or drink on the premises. (Condition from City P & Z Commission)
2. The use shall not expand beyond 5,000 sf without approval of an amendment to the CUP. (Condition from City P & Z Commission).
3. Within 90 days of commencing vodka distillation, the applicant shall submit a copy of the chemical analysis of the plant's effluent, and any other required documentation, to the regional office of the Department of Environmental Quality in Idaho Falls. The applicant shall supply the City and County with a copy of any permit, exemption, determination, or authorization that DEQ issues. The operation of the plant shall comply with any applicable DEQ regulations for storage and disposal of the liquid effluent, regardless of whether it is classified as a hazardous waste or classified and regulated as a "solid waste".
4. If the liquid waste products from distillation are found to be of an acceptable bio-chemical composition (according to the waste water treatment plant's standards), then the waste should be conveyed to the Driggs wastewater plant for treatment. If the effluent cannot be accepted by the Driggs facility, the applicant shall provide the City and County Planning Departments and County Engineer with an alternative plan to dispose of the distillation effluent. The alternative disposal plan should be submitted within 90 days of a determination that the effluent cannot be treated in the Driggs waste water treatment plant.
5. The applicant shall obtain the appropriate written approvals, permits, or agreements from all federal and state agencies for the production of alcohol and for the disposal of any solid, liquid, or gaseous byproducts. This may require the applicant to obtain authorization for waste disposal from a licensed wastewater treatment facility. If a wastewater treatment plant other than the City of Driggs is used, the applicant shall provide the City and County Planning Departments with information regarding where the waste is being transported to for treatment. A copy of any contract, agreement, or "will-serve" letter should be provided to the City and County Planning Departments.
6. Engineering standards that were not fully addressed in the County Engineer letter of December 30, 2011 shall be resolved to the satisfaction of the County Engineer prior to the issuance of a building permit.

7. A site plan showing details that demonstrate compliance to the requirements specified in the Teton County Fire Protection District letter of December 20, 2011 shall be submitted before, or no later than, the time of applying for a county building permit.
8. The timing for the planting and inspection of all landscaping and installation of any storm water or erosion control Best Management Practices (BMP) shall be coordinated with the City of Driggs Planning Administrator. Any bonding or surety that is required in association with these items will be administered by the City of Driggs.
9. A review of the operation of the distillery and a evaluation of the terms of the Conditional Use Permit shall be in accordance with the City of Driggs standards; any CUP review shall be evaluated by the City of Driggs Planning Administrator.

SECTION 8-6-1-B-7 CRITERIA FOR APPROVAL OF A CONDITIONAL USE

In accordance with the section above, the following findings of fact shall be made if the Conditional Use is to be approved.

1. Location is compatible to other uses in the general neighborhood.

The application materials and site plan, narrative and this staff report provide considerations about compatibility for making determinations about this proposal. The City Planning and Zoning Commission used the criteria of its zoning district designation and found the proposed use to be acceptable and compatible so long as two conditions are included. These two conditions and the City's recommendation are included in this report's recommendation.

2. Use will not place undue burden on existing public services and facilities in the vicinity.

The use of this C-3 zoned lot for commercial purposes will not place undue burden on existing public facilities. At this time the facility uses well water and is not connected to the city sewer system. Staff believes this criterion has been met, given the conditions associated with this permit.

3. Site is large enough to accommodate the proposed use and other features of this ordinance.

The one third acre project area on the 3.57 acre lot is large enough to accommodate the 2,400 square foot building, parking, landscaping and fire district requirements.

4. Proposed use is in compliance with and supports the goals, policies and objectives of the Comprehensive Plan.

This City of Driggs Comprehensive plan applies in this Area of City Impact. The city Planning Administrator and the city Planning & Zoning Commission were responsible for determining if the project was compatible with the City Comprehensive Plan. They recommended the Board of County Commissioners approve the Conditional Use Permit based on this and other considerations.

BOARD OF COUNTY COMMISSION ACTIONS:

- A. Approve both the CUP, with the recommended conditions of approval listed in this staff report, having provided the reasons and justifications for the approval.
- B. Approve the CUP with modifications to the application request, or adding conditions of approval, having provided the reasons and justifications for the approval and for any modifications or conditions.
- C. Deny the application request and provide the reasons and justifications for the denial.
- D. Remand the application back to the Driggs Planning & Zoning Commission for further evaluation and recommendations and specify what additional information and considerations need to be addressed.
- E. Continue the Board's public hearing to a specified date.

County Planning Staff recommends Action A.

RECOMMENDED MOTION TO APPROVE:

Having found that all the Section 8-6-1-B-7 Criteria for Approval of a Conditional Use Permit can be satisfied, and that the reasons and justifications are enumerated in the application materials, the applicant's presentation at the public hearing, the staff report, and the attached agency and public comments, I move to approve the Grand Teton Vodka Conditional Use Permit application with the conditions enumerated in the staff report....

[if modifications are made to any conditions]

with the following changes to Conditions # X, Y Z:

[list the any modifications to conditions]

Attachments:

- Application form with narrative
- Site plans
- General Building plan with internal layout of equipment
- Building elevations
- Landscape plan and Planting list
- Supplemental materials regarding vodka distilling process and waste water treatment
- City of Driggs report to City P & Z Commission for October 12, 2011
- City P & Z public hearing minutes, October 12, 2011
- City of Driggs transmittal letter of November 10, 2011
- Letters of Agency review:
 - Teton County Fire Protection District email
 - Teton County Engineer revised letter December 30, 2011
 - EIPHD letter December 27, 2011
 - Email from IDEQ dated January 4, 2012
- Comment letter of support from Paul Raube (sp) 9-23-2011

End of report Written by project planner Curt Moore

Reviewed and edited by County Planning Administrator Angie Rutherford